

What Is Long Term Care?

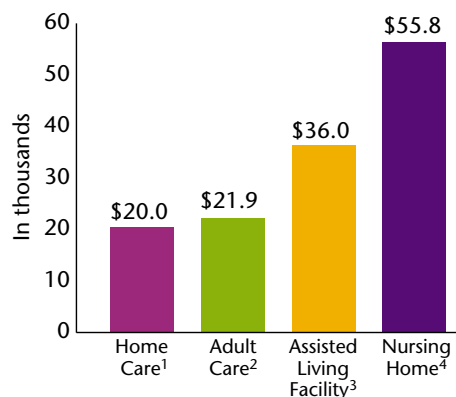
Long Term Care (LTC) is what an individual needs when he or she requires regular assistance with day-to-day functions like bathing, eating and/or dressing or supervision due to cognitive impairment. LTC insurance helps pay for care at home, in an adult day care center, assisted living facility, nursing home or hospice — it's your choice.

Why Long Term Care Insurance?

With today's enhanced longevity, a growing number of Americans "live, get sick, progressively lose function, and then die."* When this happens, we not only lose the freedom to care for ourselves, we may be forced to completely deplete a lifetime of savings unless specific LTC insurance is part of our personal financial plan for protection of assets when we grow older.

*Aetna Chairman & CEO and gerontologist Dr. John W. Rowe, author of *Successful Aging*.

LTC Costs Can Be Devastating
National Average Costs (annual)



¹The Federal Long Term Care Insurance Program Website, 2005.

²National Study of Adult Day Center, The Robert Wood Johnson Foundation, 2003.

³Assisted Living Info Website, 2005.

⁴AARP The Magazine, 2005.

The Commonwealth of Virginia

Where Will the Money Come From?

Long Term Care is:

- *NOT* covered by your medical plan.
- *NOT* covered by disability insurance.
- *NOT* covered by Medicare to any substantial degree.
- *NOT* covered by Medicaid unless one's assets have been reduced to the poverty level.

Did you know that an accident or illness can cause you or a family member to need long term care at any age?

Top Ten Conditions Requiring Long Term Care

Source: Aetna, LTC Claim History 1/02

1. Alzheimer's disease, related dementia
2. Cancer
3. Stroke
4. Parkinson's disease, other neurological conditions
5. Arthritis
6. Heart attack
7. Other injuries (fractures)
8. Emphysema, other respiratory diseases
9. Diabetes
10. Mental, nervous, other Alzheimer's related conditions



Commonwealth of Virginia
Aetna Group Long Term Care Insurance Benefit Summary – Service Plan

Commonwealth of Virginia offers a long term care insurance plan underwritten by Aetna Life Insurance Company. The chart below outlines some of this service plan's benefits and features. For term definitions, rates and more information, please call 1-877-894-2470 or visit www.aetna.com/group/commonwealthva.

Who's Eligible	<p>Commonwealth of Virginia Employees: Salaried full-time faculty and salaried classified employees who work 20 or more hours per week are eligible.</p> <p>Employees of Local Government Entities and School Systems: Full-time, part-time or other employees, as determined and defined by the participating employer, who work 20 or more hours per week.</p> <p>Employees must be actively at work on the effective date in order for coverage to become effective. Employees' spouses, parents, parents-in-law, retirees, retirees' spouses, and surviving spouses are also eligible and are required to complete a medical questionnaire and be approved by Aetna before coverage becomes effective.</p>																
Enrollment Period	Active employees (not already eligible for claim) who enroll during the special open enrollment period may do so without providing proof of good health. New hires may enroll within 60 days of benefit eligibility without proof of good health. Employees' spouses, parents, parents-in-law, retirees, their spouses, and surviving spouses may enroll anytime and will be required to complete a medical questionnaire and must be approved by Aetna. Employees may also enroll after the special open enrollment period or after 60 days of benefit eligibility and will be required to complete a medical questionnaire and must be approved by Aetna.																
Spousal Discount	There is a 10% discount in premiums if an eligible employee/retiree and his/her spouse both enroll and coverage becomes effective.																
Amount of Coverage Per Day = Daily Benefit Amount (DBA)	You choose a Daily Benefit Amount (DBA) anywhere from \$50 to \$300 in \$1 increments. The plan will reimburse you for covered expenses incurred up to a certain percentage of your DBA (see Expenses Covered). The DBA is the maximum amount of coverage your plan could provide you each day .																
How You Qualify for Claim (Receive Benefits)	You qualify for claim if you meet one or both of the following requirements: (1) dependent in at least two of six activities of daily living: bathing, dressing, eating, transferring, toileting, continence as certified by a Licensed Health Care Practitioner; or (2) have a severe cognitive impairment, like Alzheimer's.																
Single Waiting (Deductible) Period of 90 Days	Once you qualify for claim, <i>only one</i> 90-day waiting (deductible) period needs to be met, regardless of how often and for what reason you qualify for claim.																
Premiums Waived When in Claim	After the 90-day waiting (deductible) period, premiums are waived. You pay no premiums while you are in claim status.																
Expenses Covered	<p>The plan will reimburse you for bills submitted for covered expenses up to a percentage of your Daily Benefit Amount (DBA).</p> <table> <tr> <td>Nursing Home or Hospice Facility Care:</td> <td>Actual Expenses up to 100% of DBA.</td> </tr> <tr> <td>Assisted Living Facility Care:</td> <td>Actual Expenses up to 100% of DBA.</td> </tr> <tr> <td>Community Based Care:</td> <td>Actual Expenses up to 50% of DBA.</td> </tr> <tr> <td>Home Health Care</td> <td></td> </tr> <tr> <td>Hospice Care</td> <td></td> </tr> <tr> <td>Adult Day Care</td> <td></td> </tr> <tr> <td>Alternate Care</td> <td></td> </tr> <tr> <td>Bed Reservation:</td> <td>100% of your DBA for 21 days per calendar year to hold the bed in a nursing facility.</td> </tr> </table>	Nursing Home or Hospice Facility Care:	Actual Expenses up to 100% of DBA.	Assisted Living Facility Care:	Actual Expenses up to 100% of DBA.	Community Based Care:	Actual Expenses up to 50% of DBA.	Home Health Care		Hospice Care		Adult Day Care		Alternate Care		Bed Reservation:	100% of your DBA for 21 days per calendar year to hold the bed in a nursing facility.
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Expenses Covered (continued)	<p>Additional benefits that <u>do not</u> deduct from the Lifetime Maximum:</p> <p>Transitional Care: One time payment equal to 3 times your DBA.</p> <p>Informal Care: 25% of your DBA for up to 50 days per calendar year.</p> <p>Informal Care Giver Training: One payment per claim equal to cost of training up to 3 times your DBA.</p> <p>Respite Care: 50% of your DBA for up to 21 days per calendar year.</p>
Total Coverage for Life of Plan = Lifetime Maximum Benefit	<p>You may select either a 2 or 5 year Lifetime Maximum Benefit. Your Lifetime Maximum Benefit is determined by multiplying the number of days in 2 or 5 years by your Daily Benefit Amount (DBA). The resulting dollar amount can be thought of as the pool of dollars which you can use to purchase care. Depending upon where and when you receive care, your Lifetime Maximum Benefit could be paid out in a minimum of 2 years or 5 years or a longer period of time.</p> <p><i>To determine the total amount of money that your coverage provides; i.e. Lifetime Maximum Benefit:</i></p> <ol style="list-style-type: none"> 1. <i>Multiply the DBA you select by 365 (days in a year).</i> 2. <i>Multiply that result by the number of years your plan is based on (2 or 5 years).</i> <p><i>Example on Calculating the Lifetime Maximum Benefit:</i> DBA = \$100 Lifetime Maximum Benefit is based on 5 years. Therefore, your total lifetime Maximum Benefit is: $\\$100 \times 365 = \\$36,500 \times 5 \text{ years} = \\$182,500$.</p>
Restoration of Benefits	<p>Your Lifetime Maximum Benefit is restored by the amount paid out in benefits once you are no longer in a claim status for a period of 90 consecutive days and resume premium payments.</p>
Inflation Protection Increases	<p>You may increase your coverage every 2 years without proof of good health to help keep pace with the rising cost of long term care. You may increase your coverage through this feature while you are in claim as long as you have not turned down a previous offer.</p>
30 Day Free Look	<p>Your premiums will be refunded if you cancel your plan within 30 days of receiving your Certificate of Coverage booklet.</p>
Leave Job and Continue Coverage	<p>If you leave your current employer you can continue your coverage by paying Aetna directly, at the same group rate.</p>
Non-Forfeiture – Benefit Bank (Optional)	<p>If you discontinue paying premiums within the first three years of LTC coverage, all premiums paid are forfeited. However, if you discontinue paying premiums after your LTC coverage has been in place for three or more years, Aetna will set aside the greater of the following to pay for your future long term care needs: (1) 100% of premiums paid, or (2) one month of benefits. This is not a cash value.</p>
Choices to Make	<ol style="list-style-type: none"> 1. Select your Daily Benefit Amount 2. Select your Lifetime Maximum Benefit 3. Select or decline optional feature – Non-forfeiture (Benefit Bank)
How to Enroll	<ol style="list-style-type: none"> 1. Complete the appropriate enrollment form or medical questionnaire 2. Complete the Personal Worksheet 3. Return all completed forms directly to Aetna

**Commonwealth of Virginia
Long Term Care \$1 Monthly Rates
2 and 5 Year Lifetime Maximum**

	2-Year Lifetime Maximum		5-Year Lifetime Maximum			2-Year Lifetime Maximum		5-Year Lifetime Maximum	
Age	With Benefit Bank	Without Benefit Bank	With Benefit Bank	Without Benefit Bank	Age	With Benefit Bank	Without Benefit Bank	With Benefit Bank	Without Benefit Bank
20	0.029	0.018	0.040	0.026	55	0.232	0.213	0.324	0.298
21	0.030	0.019	0.041	0.027	56	0.254	0.233	0.354	0.325
22	0.032	0.020	0.044	0.029	57	0.277	0.255	0.386	0.356
23	0.034	0.022	0.047	0.031	58	0.302	0.278	0.422	0.388
24	0.035	0.023	0.050	0.033	59	0.329	0.305	0.462	0.428
25	0.038	0.025	0.052	0.034	60	0.361	0.335	0.503	0.468
26	0.040	0.028	0.056	0.038	61	0.394	0.368	0.551	0.515
27	0.044	0.030	0.061	0.041	62	0.431	0.406	0.603	0.566
28	0.047	0.033	0.063	0.045	63	0.474	0.448	0.661	0.626
29	0.050	0.035	0.068	0.049	64	0.520	0.497	0.727	0.692
30	0.052	0.038	0.073	0.053	65	0.560	0.539	0.783	0.753
31	0.055	0.041	0.077	0.057	66	0.622	0.596	0.868	0.832
32	0.059	0.046	0.080	0.062	67	0.694	0.662	0.968	0.925
33	0.063	0.050	0.086	0.067	68	0.752	0.717	1.049	1.000
34	0.066	0.053	0.091	0.073	69	0.816	0.777	1.140	1.086
35	0.071	0.057	0.097	0.077	70	0.890	0.845	1.240	1.180
36	0.075	0.061	0.102	0.083	71	0.969	0.922	1.351	1.286
37	0.078	0.065	0.109	0.090	72	1.058	1.007	1.474	1.406
38	0.083	0.070	0.115	0.096	73	1.156	1.105	1.608	1.538
39	0.087	0.075	0.121	0.101	74	1.265	1.212	1.757	1.687
40	0.092	0.078	0.128	0.109	75	1.382	1.331	1.915	1.851
41	0.098	0.084	0.135	0.116	76	1.513	1.466	2.094	2.036
42	0.102	0.089	0.143	0.122	77	1.656	1.619	2.290	2.242
43	0.109	0.095	0.150	0.131	78	1.816	1.786	2.503	2.467
44	0.115	0.100	0.158	0.138	79	1.989	1.968	2.731	2.708
45	0.121	0.106	0.166	0.146	80	2.163	2.153	2.963	2.950
46	0.126	0.112	0.176	0.155	81	2.333	2.329	3.169	3.168
47	0.134	0.121	0.186	0.166	82	2.501	2.503	3.371	3.376
48	0.143	0.128	0.198	0.177	83	2.669	2.676	3.590	3.605
49	0.151	0.136	0.211	0.189	84	2.823	2.835	3.792	3.809
50	0.161	0.144	0.224	0.201	85	2.959	2.971	3.964	3.985
51	0.170	0.155	0.239	0.216	86	3.118	3.134	4.156	4.180
52	0.182	0.166	0.254	0.230	87	3.260	3.277	4.318	4.345
53	0.198	0.180	0.276	0.251	88	3.389	3.405	4.456	4.481
54	0.214	0.196	0.299	0.274	89	3.506	3.522	4.574	4.595
					90+	3.598	3.610	4.649	4.669

To calculate your premium:

1. Find the rate associated with your age.
2. Multiply that rate by the amount you wish to purchase. This is your monthly premium.
3. Multiply that amount by 12 months to determine your annual premium.
4. Divide that number by the number of deductions/payments per year to determine your deduction/payment.

Examples: Annual premium for a person purchasing a Daily Benefit Amount of \$100 and 2-Year Lifetime Maximum without the Benefit Bank feature:

- 40-year-old - $\$.078 \times \$100 = \$7.80/\text{month} \times 12 \text{ months} = \93.60
- 50-year-old - $\$.144 \times \$100 = \$14.40/\text{month} \times 12 \text{ months} = \172.80